

1
2
3
4
5
6
7 UNITED STATES DISTRICT COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 MICROSOFT CORPORATION,

11 Plaintiff,

12 v.

13 MOTOROLA, INC., et al.,

14 Defendants.

15 MOTOROLA MOBILITY, INC., et
al.,

16 Plaintiffs,

17 v.

18 MICROSOFT CORPORATION,

19 Defendant.

CASE NO. C10-1823JLR

MINUTE ORDER

20 The following minute order is made by the direction of the court, the Honorable
21 James L. Robart:
22

On January 28, 2013, the court heard argument from the parties regarding a license agreement between Google Inc. (“Google”) and MPEG LA related to the H.264/AVC patent pool.¹ (Motorola Br. (Dkt. # 614); Microsoft Br. (Dkt. # 615).) During the hearing, the parties raised novel arguments not contained in prior briefing to the court. In light of these novel arguments, the court has re-examined the license agreement between Google and MPEG LA.

The court directs the parties to Section 3.1.7 of the Google-MPEG LA license which states in relevant part:

Enterprise Licensees. Pursuant to Article 2.7 and notwithstanding anything to the contrary in Article 2.9 hereof, and in lieu of the royalties specified in Articles 3.1.2, 3.1.3, 3.1.4 and 3.1.5, a Licensee and its *Affiliates which are licensees under the AVC Patent Portfolio License and are identified in writing to the Licensing Administrator by Licensee* shall pay no more than the following total amounts in each Calendar Year for all such licenses for the combined Sales of Licensee and its Affiliates during such year:

[Prescribing royalty amounts and caps.]

(Google-MPEG LA License § 3.1.7 (emphases added).) From the italicized language of Section 3.1.7, it appears to the court that Licensee and its Affiliates fall under the royalty cap prescribed therein only if the Affiliates are themselves licensee under the AVC Patent Portfolio and are identified by the Licensee in writing to the Licensing Administrator.

No later than March 1, 2013, the parties may submit letter briefs of no more than 6 single-spaced pages in length addressing:

¹ The license agreement between Google and MPEG LA was introduced as Exhibit 103 during the November 13-19, 2012, trial. This license agreement will be referred to as the “Google-MPEG LA license agreement.”

1 (1) whether the court's understanding of the italicized language is correct; and
2 (2) whether Section 3.1.7 of the Google-MPEG LA License Agreement is a stand-
3 alone royalty cap provision or whether the section affects other provisions of the license
4 agreement, and in particular whether Section 3.1.7 has an affect Motorola's obligation to
5 license its standard essential patents as an Affiliate of Google.

6 Filed and entered this 21st day of February, 2013.

7
8 WILLIAM M. MCCOOL
Clerk of Court

9 s/Mary Duett
10 Deputy Clerk
11
12
13
14
15
16
17
18
19
20
21
22